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CHANGE 2

ORGANIZATION
DRAFT-8 JUNE 1954

REGULATION

ORGANIZATION AND FUNCTIONS

OFFICE OF THE DEPUTY DIRECTOR (ADMINISTRATION)

1. SAME

AUDITOR-IN-CHIEF

2. MISSION

- a. The Auditor-in-Chief is responsible for the independent audit of all matters relating to the receipt, disbursement, and application of funds and assets available to CIA. He shall give due regard to generally accepted principles of auditing, including consideration of the effectiveness of accounting organizations and systems; internal controls; procedures and responsibilities of operating components engaged in the receipt, custody, and use of funds, property and other assets; and other related administrative practices. His audit shall be concerned with the proper economic and efficient application of funds and property in the fulfillment of authorized functions. The scope of his audit may be only limited by the requirement that operational cover be maintained and that intelligence sources and methods be adequately protected.
- b. Audit reports containing findings and recommendations shall be prepared and pursued until all matters therein have been brought to a conclusive settlement.

3. FUNCTIONS

The Auditor-in-Chief shall:

- a. Examine Agency procedures and practices for the accounting for funds, property, and other assets.

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- b. Ascertain that expenditures are made and assets are used only in the furtherance of authorized activities and in accordance with applicable laws and regulations.
- c. Determine that the Agency collects and accounts properly for all revenues and receipts arising from its activities.
- d. Determine that the assets of the Agency, or in its custody, are adequately safeguarded and controlled in an efficient manner.
- e. Recommend policy and procedural changes in the interest of efficiency and protection of Government funds and assets.
- f. Recognize security as a basic consideration in all actions and recommendations.
- g. Submit audit reports containing findings and recommendations to the Deputy Director (Administration), the organizational component concerned, and such other officials whose responsibilities may be involved.
 - (1) The matters and recommendations contained in audit reports shall be promptly and properly acted upon, or be explained in writing to the satisfaction of the Auditor-in-Chief.
 - (2) Matters not acted upon to the satisfaction of the Auditor-in-Chief shall be referred through the Deputy Director (Administration) to the Director of Central Intelligence for final resolution.
- h. Direct the activities of the Audit Offices, foreign and domestic, to assist in the discharge of the responsibilities assigned herein.

DISTRIBUTION: AB